

IN THE UNITED STATES BANKRUPTCY COURT FOR
THE WESTERN DISTRICT OF PENNSYLVANIA

In Re:	:	
	:	BANKRUPTCY NO. 20-10334 TPA
JOSEPH MARTIN THOMAS,	:	
Debtor.	:	THE HONORABLE THOMAS P. AGRESTI
	:	
JOSEPH MARTIN THOMAS,	:	CHAPTER 11
	:	
Movant,	:	
	:	
v.	:	
	:	
NO RESPONDENT.	:	
	:	
	:	

REPORT

Attached hereto is the Official Form 426, Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest.

Respectfully submitted,

THE QUINN LAW FIRM

BY: /s/Michael P. Kruszewski
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Counsel for Debtor, Joseph Martin
Thomas

#1409568

Fill in this information to identify the case:

Debtor Name Joseph Martin Thomas

United States Bankruptcy Court for the: Western District of PA
(State)

Case number: 20-10334 TPA

Official Form 426

**Periodic Report Regarding Value, Operations, and Profitability of Entities
in Which the Debtor's Estate Holds a Substantial or Controlling Interest**

12/17

This is the *Periodic Report* as of December 10, 2020 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

[Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
Greater Erie Surgery Center, LLC	83.61% Member	1
2374 Village Common Drive, LLC	100% Member	2

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

Debtor Name _____

Case number _____

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

X

Signature of Authorized Individual

Printed name of Authorized Individual

Date _____
MM / DD / YYYY

For individual Debtors:

X

/s/Joseph Martin Thomas

Signature of Debtor 1

Joseph Martin Thomas

Printed name of Debtor 1

Date **12/10/2020**
MM / DD / YYYY

X

Signature of Debtor 2

Printed name of Debtor 2

Date _____
MM / DD / YYYY

Debtor Name Joseph Martin Thomas

Case number 20-10334 TPA

Exhibit A: Financial Statements for [Name of Controlled Non-Debtor Entity]

See attached Exhibits.

Debtor Name Joseph Martin Thomas

Case number 20-10334 TPA

Exhibit A-1: Balance Sheet for [Name of Controlled Non-Debtor Entity] as of [date]

[Provide a balance sheet dated as of the end of the most recent 3-month period of the current fiscal year and as of the end of the preceding fiscal year.]

Describe the source of this information.]

See attached Exhibits.

Debtor Name Joseph Martin Thomas

Case number 20-10334 TPA

Exhibit A-2: Statement of Income (*Loss*) for [Name of Controlled Non-Debtor Entity] for period ending [date]

[Provide a statement of income (*loss*) for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See attached Exhibits.

Debtor Name Joseph Martin Thomas

Case number 20-10334 TPA

Exhibit A-3: Statement of Cash Flows for [Name of Controlled Non-Debtor Entity] for period ending [date]

[Provide a statement of changes in cash position for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See attached Exhibits.

Debtor Name Joseph Martin Thomas

Case number 20-10334 TPA

**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (*Deficit*) for [Name of Controlled Non-Debtor Entity]
for period ending [date]**

[Provide a statement of changes in shareholders'/partners equity (*deficit*) for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See attached Exhibits.

Debtor Name Joseph Martin Thomas

Case number 20-10334 TPA

Exhibit B: Description of Operations for [Name of Controlled Non-Debtor Entity]

[Describe the nature and extent of the Debtor's interest in the Controlled Non-Debtor Entity.

Describe the business conducted and intended to be conducted by the Controlled Non-Debtor Entity, focusing on the entity's dominant business segments.

Describe the source of this information.]

See attached Exhibits.

Debtor Name Joseph Martin Thomas

Case number 20-10334 TPA

Exhibit C: Description of Intercompany Claims

[List and describe the Controlled Non-Debtor Entity's claims against any other Controlled Non-Debtor Entity, together with the basis for such claims and whether each claim is contingent, unliquidated or disputed.

Describe the source of this information.]

See attached Exhibits.

Debtor Name **Joseph Martin Thomas**

Case number **20-10334 TPA**

Exhibit D: Allocation of Tax Liabilities and Assets

[Describe how income, losses, tax payments, tax refunds, or other tax attributes relating to federal, state, or local taxes have been allocated between or among the Controlled Non-Debtor Entity and one or more other Controlled Non-Debtor Entities.

Include a copy of each tax sharing or tax allocation agreement to which the entity is a party with any other Controlled Non-Debtor Entity.

Describe the source of this information.]

2374 Village Common Drive is a single member LLC owned 100% by the Debtor. The entity has collected rent from both Tri-State Pain Institute LLC and Greater Erie Surgery Center LLC. The income tax consequences of activity are reported on the Debtor's personal tax return and he is responsible for any income tax. Upon information and belief, there is no tax sharing agreement with any other entity.

The Debtor has an ownership interest in Greater Erie Surgery Center LLC, which is a partnership for tax reporting purposes. His share of the income is reported on his personal income tax return, and he is responsible for paying the income tax on his share of the partnership income. Upon information and belief, there is no tax sharing agreement with the partnership and partners.

Debtor Name Joseph Martin Thomas

Case number 20-10334 TPA

Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

[Describe any payment made, or obligations incurred (or claims purchased), by the Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against any Debtor.

Describe the source of this information.]

None.

Joseph Martin Thomas
Case No. 20-10334

**Periodic Report Regarding Value, Operations, Profitability of Entities in Which the
Debtor's Estate Holds a Substantial or Controlling Interest**

TAB NO. 1

10:59 AM

12/04/20

Accrual Basis

Greater Erie Surgery Center, LLC
Balance Sheet
As of June 30, 2020

	Jun 30, 20
ASSETS	
Current Assets	
Checking/Savings	
1025 · NW Savings Checking	209,894.29
Total Checking/Savings	209,894.29
Other Current Assets	
1100 · Accounts Receivable	183,748.34
1150 · Due from Tri-State Pain	136,690.85
1160 · Loan to Dr Thomas	36,459.84
1300 · Partner Receivable - Thomas	3,250.00
1400 · TSPI Working Capital Loan	350,000.00
Total Other Current Assets	710,149.03
Total Current Assets	920,043.32
Fixed Assets	
1500 · Equipment	986,518.83
1510 · Building	
1510.1 · HVAC	18,905.00
1510.15 · Elevator	27,611.00
1510 · Building - Other	1,298,965.02
Total 1510 · Building	1,345,481.02
1520 · Furniture and Fixtures	42,632.07
1525 · Software	12,137.08
1600 · Accum. Depr-Equipment	-892,254.04
1610 · Accum. Depr-Building	-379,494.71
1620 · Accum. Depr-Furniture&Fixtures	-42,656.34
1625 · Accum. Depr-Software	-10,652.95
Total Fixed Assets	1,061,710.96
Other Assets	
1640 · Accumulated Amortization	-17,521.26
1830 · Loan Costs	39,778.00
Total Other Assets	22,256.74
TOTAL ASSETS	2,004,011.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	758,647.04
Total Accounts Payable	758,647.04
Other Current Liabilities	
2100 · Accrued Interest Expense	1,740.69
2110 · Accrued Payroll	13,263.43
2506 · Lease Payable - Mindray Capital	18,459.84
2507 · Equipment Payable - US Bank	-3,642.60
2508 · Equipment Finance Agreement	4,646.88
Total Other Current Liabilities	34,468.24
Total Current Liabilities	793,115.28
Long Term Liabilities	
2501 · Note Payable - Wells Fargo/SBA	677,152.97
2502 · N/P - Northwest Savings Bank	-5,402.88
2510 · Note Payable - Candor	-23,727.84
Total Long Term Liabilities	648,022.25
Total Liabilities	1,441,137.53

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Accrual Basis

Greater Erie Surgery Center, LLC
Balance Sheet
As of June 30, 2020

	Jun 30, 20
Equity	
3000.01 · Dr. Thomas	1,833,854.97
3000.05 · Candor Surgical Management	812,793.59
3000.06 · K.Biggers	46,400.00
3000.08 · Dr. Diefenbach	166,000.00
3007 · Sample Property/GEMB	40,000.00
3100 · Retained Earnings	-2,274,173.78
Net Income	-62,001.29
Total Equity	562,873.49
TOTAL LIABILITIES & EQUITY	2,004,011.02

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12/04/20

Accrual Basis

Greater Erie Surgery Center, LLC
Balance Sheet
As of September 30, 2020

	<u>Sep 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
1025 · NW Savings Checking	79,369.10
Total Checking/Savings	79,369.10
Other Current Assets	
1100 · Accounts Receivable	183,748.34
1150 · Due from Tri-State Pain	136,690.85
1160 · Loan to Dr Thomas	36,459.84
1300 · Partner Receivable - Thomas	3,250.00
1400 · TSPI Working Capital Loan	350,000.00
Total Other Current Assets	710,149.03
Total Current Assets	789,518.13
Fixed Assets	
1500 · Equipment	986,518.83
1510 · Building	
1510.1 · HVAC	18,905.00
1510.15 · Elevator	27,611.00
1510 · Building - Other	1,298,965.02
Total 1510 · Building	1,345,481.02
1520 · Furniture and Fixtures	42,632.07
1525 · Software	12,137.08
1600 · Accum. Depr-Equipment	-892,254.04
1610 · Accum. Depr-Building	-379,494.71
1620 · Accum. Depr-Furniture&Fixtures	-42,656.34
1625 · Accum. Depr-Software	-10,652.95
Total Fixed Assets	1,061,710.96
Other Assets	
1640 · Accumulated Amortization	-17,521.26
1830 · Loan Costs	39,778.00
Total Other Assets	22,256.74
TOTAL ASSETS	<u>1,873,485.83</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	852,429.43
Total Accounts Payable	852,429.43
Other Current Liabilities	
2100 · Accrued Interest Expense	1,740.69
2110 · Accrued Payroll	13,263.43
2506 · Lease Payable - Mindray Capital	18,459.84
2507 · Equipment Payable - US Bank	-5,024.19
2508 · Equipment Finance Agreement	4,646.88
Total Other Current Liabilities	33,086.65
Total Current Liabilities	885,516.08
Long Term Liabilities	
2501 · Note Payable - Wells Fargo/SBA	635,152.97
2502 · N/P - Northwest Savings Bank	-5,402.88
2510 · Note Payable - Candor	-35,648.72
Total Long Term Liabilities	594,101.37
Total Liabilities	1,479,617.45

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Accrual Basis

Greater Erie Surgery Center, LLC
Balance Sheet
As of September 30, 2020

	<u>Sep 30, 20</u>
Equity	
3000.01 · Dr. Thomas	1,833,854.97
3000.05 · Candor Surgical Management	812,793.59
3000.06 · K.Biggers	46,400.00
3000.08 · Dr. Diefenbach	166,000.00
3007 · Sample Property/GEMB	40,000.00
3100 · Retained Earnings	-2,274,173.78
Net Income	-231,006.40
Total Equity	<u>393,868.38</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,873,485.83</u></u>

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12/04/20

Accrual Basis

Greater Erie Surgery Center, LLC
Balance Sheet
As of October 31, 2020

	Oct 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1025 · NW Savings Checking	90,334.18
Total Checking/Savings	90,334.18
Other Current Assets	
1100 · Accounts Receivable	183,748.34
1150 · Due from Tri-State Pain	136,690.85
1160 · Loan to Dr Thomas	36,459.84
1300 · Partner Receivable - Thomas	3,250.00
1400 · TSPI Working Capital Loan	350,000.00
Total Other Current Assets	710,149.03
Total Current Assets	800,483.21
Fixed Assets	
1500 · Equipment	986,518.83
1510 · Building	
1510.1 · HVAC	18,905.00
1510.15 · Elevator	27,611.00
1510 · Building - Other	1,298,965.02
Total 1510 · Building	1,345,481.02
1520 · Furniture and Fixtures	42,632.07
1525 · Software	12,137.08
1600 · Accum. Depr-Equipment	-892,254.04
1610 · Accum. Depr-Building	-379,494.71
1620 · Accum. Depr-Furniture&Fixtures	-42,656.34
1625 · Accum. Depr-Software	-10,652.95
Total Fixed Assets	1,061,710.96
Other Assets	
1640 · Accumulated Amortization	-17,521.26
1830 · Loan Costs	39,778.00
Total Other Assets	22,256.74
TOTAL ASSETS	1,884,450.91
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	907,418.80
Total Accounts Payable	907,418.80
Other Current Liabilities	
2100 · Accrued Interest Expense	1,740.69
2110 · Accrued Payroll	13,263.43
2506 · Lease Payable - Mindray Capital	18,459.84
2507 · Equipment Payable - US Bank	-5,484.72
2508 · Equipment Finance Agreement	4,646.88
Total Other Current Liabilities	32,626.12
Total Current Liabilities	940,044.92
Long Term Liabilities	
2501 · Note Payable - Wells Fargo/SBA	621,152.97
2502 · N/P - Northwest Savings Bank	-5,402.88
2510 · Note Payable - Candor	-39,659.79
Total Long Term Liabilities	576,090.30
Total Liabilities	1,516,135.22

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Accrual Basis

Greater Erie Surgery Center, LLC
Balance Sheet
As of October 31, 2020

	Oct 31, 20
Equity	
3000.01 - Dr. Thomas	1,833,854.97
3000.05 - Candor Surgical Management	812,793.59
3000.06 - K.Biggers	46,400.00
3000.08 - Dr. Diefenbach	166,000.00
3007 - Sample Property/GEMB	40,000.00
3100 - Retained Earnings	-2,274,173.78
Net Income	-256,559.09
Total Equity	368,315.69
TOTAL LIABILITIES & EQUITY	1,884,450.91

11:01 AM
12/04/20
Accrual Basis

Greater Erie Surgery Center, LLC
Profit & Loss
April through June 2020

	Apr - Jun 20
Ordinary Income/Expense	
Income	
4000 · Revenue	484,955.55
Total Income	484,955.55
Cost of Goods Sold	
Cost of Surgical Services	
5010.01 · Disposables	60,161.15
5010.03 · Instruments/Equip Parts	223,151.20
5010.1 · Lease/Rent Medical Equip.	1,532.98
5015 · Medical Gases	1,297.10
5030 · Hazardous Waste Disposal	140.00
Total Cost of Surgical Services	286,282.43
Total COGS	286,282.43
Gross Profit	198,673.12
Expense	
Office Expenses	
6120 · Other Office Expenses	1,125.35
Total Office Expenses	1,125.35
Professional Fees	
6200 · Consulting Fees	2,000.00
6210 · Legal	4,377.50
6220 · Other Services	2,619.74
Professional Fees - Other	65,571.16
Total Professional Fees	74,568.40
Repairs & Maintenance	
6300 · Janitorial Expense	3,102.20
Total Repairs & Maintenance	3,102.20
Service Agreements	
6320 · Clinical Equipment	4,917.91
6325 · Computer/IT/Office	3,200.63
Service Agreements - Other	10,458.00
Total Service Agreements	18,576.54
Supplies & Equipment	63.42
Utilities	
6470 · Telephone	3,592.27
Total Utilities	3,592.27
6050 · Compensation-Salary	70,985.40
6070 · Bank Service Charges	3,692.06
6078 · Contract Labor	566.67
6090 · Insurance-General Insurance	2,348.07
6091 · Insurance - Key Man	1,426.10
6105 · Laundry, Linens and Uniforms	1,144.49
6168 · Dues and Subscriptions	890.61
6170 · Licenses and Fees	100.00
6212 · Reimbursable Legal	2.10
6260 · Rent-Building	210,000.00
6370 · Meals/Ent - Local	394.97
9999 · Uncategorized	126.99
Total Expense	392,705.64
Net Ordinary Income	-194,032.52
Other Income/Expense	
Other Income	
4250 · COVID 19 Stimulus	90,979.16
Total Other Income	90,979.16

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12/04/20
Accrual Basis

Greater Erie Surgery Center, LLC
Profit & Loss
April through June 2020

	<u>Apr - Jun 20</u>
Other Expense	
6510 - Interest Expense	<u>19,465.51</u>
Total Other Expense	<u>19,465.51</u>
Net Other Income	<u>71,513.65</u>
Net Income	<u><u>-122,518.87</u></u>

11:02 AM
12/04/20
Accrual Basis

Greater Erie Surgery Center, LLC
Profit & Loss
July through September 2020

	<u>Jul - Sep 20</u>
Ordinary Income/Expense	
Income	
4000 · Revenue	674,887.25
Total Income	674,887.25
Cost of Goods Sold	
Cost of Surgical Services	
5010.01 · Disposables	179,869.70
5010.03 · Instruments/Equip Parts	187,719.94
5010.1 · Lease/Rent Medical Equip.	1,005.32
5015 · Medical Gases	1,079.22
5030 · Hazardous Waste Disposal	95.00
Total Cost of Surgical Services	369,769.18
Total COGS	369,769.18
Gross Profit	305,118.07
Expense	
Office Expenses	
6120 · Other Office Expenses	1,145.89
6130 · Postage & Delivery	114.10
Total Office Expenses	1,259.99
Professional Fees	
6190 · Accounting & Auditing	2,347.20
6200 · Consulting Fees	2,000.00
6210 · Legal	2,100.00
6220 · Other Services	4,275.27
Professional Fees - Other	98,299.98
Total Professional Fees	109,022.45
Repairs & Maintenance	
6300 · Janitorial Expense	4,740.00
Repairs & Maintenance - Other	878.52
Total Repairs & Maintenance	5,618.52
Service Agreements	
6320 · Clinical Equipment	4,786.88
6325 · Computer/IT/Office	5,167.06
Service Agreements - Other	15,687.00
Total Service Agreements	25,640.94
Supplies & Equipment	63.42
Utilities	
6470 · Telephone	3,653.03
Total Utilities	3,653.03
6050 · Compensation-Salary	90,521.06
6070 · Bank Service Charges	111.82
6078 · Contract Labor	508.80
6090 · Insurance-General Insurance	2,348.07
6091 · Insurance - Key Man	1,426.10
6105 · Laundry, Linens and Uniforms	1,873.98
6168 · Dues and Subscriptions	1,593.25
6170 · Licenses and Fees	180.00
6212 · Reimbursable Legal	57.82
6230 · Promotion- Advertising	190.33
6260 · Rent-Building	210,000.00
6370 · Meals/Ent - Local	362.16
9999 · Uncategorized	126.99
Total Expense	454,558.73
Net Ordinary Income	-149,440.66

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Accrual Basis

Greater Erie Surgery Center, LLC
Profit & Loss
July through September 2020

	<u>Jul - Sep 20</u>
Other Income/Expense	
Other Expense	
6510 - Interest Expense	19,564.45
Total Other Expense	<u>19,564.45</u>
Net Other Income	<u>-19,564.45</u>
Net Income	<u><u>-169,005.11</u></u>

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12/04/20
Accrual Basis

Greater Erie Surgery Center, LLC
Profit & Loss
January through September 2020

	Jan - Sep 20
Ordinary Income/Expense	
Income	
4000 · Revenue	2,131,395.36
Total Income	2,131,395.36
Cost of Goods Sold	
Cost of Surgical Services	
5010.01 · Disposables	347,153.19
5010.03 · Instruments/Equip Parts	666,833.60
5010.04 · General	71.42
5010.1 · Lease/Rent Medical Equip.	3,015.96
5015 · Medical Gases	3,675.81
5030 · Hazardous Waste Disposal	445.00
Total Cost of Surgical Services	1,021,194.98
Total COGS	1,021,194.98
Gross Profit	1,110,200.38
Expense	
Office Expenses	
6120 · Other Office Expenses	3,149.69
6130 · Postage & Delivery	114.10
Total Office Expenses	3,263.79
Professional Fees	
6190 · Accounting & Auditing	3,409.70
6200 · Consulting Fees	6,000.00
6210 · Legal	7,622.50
6220 · Other Services	9,357.11
Professional Fees - Other	297,382.21
Total Professional Fees	323,771.52
Repairs & Maintenance	
6270 · Building	147.15
6290 · Office Equipment	492.00
6300 · Janitorial Expense	12,582.20
Repairs & Maintenance - Other	1,097.90
Total Repairs & Maintenance	14,319.25
Service Agreements	
6320 · Clinical Equipment	15,369.65
6325 · Computer/IT/Office	37,943.17
Service Agreements - Other	31,374.00
Total Service Agreements	84,686.82
Supplies & Equipment	
6360 · Office Supplies	37.74
Supplies & Equipment - Other	190.26
Total Supplies & Equipment	228.00
Utilities	
6470 · Telephone	10,838.04
Total Utilities	10,838.04

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Accrual Basis

Greater Erie Surgery Center, LLC
Profit & Loss
January through September 2020

	Jan - Sep 20
6050 · Compensation-Salary	273,080.16
6070 · Bank Service Charges	4,078.09
6078 · Contract Labor	5,225.47
6090 · Insurance-General Insurance	7,044.21
6091 · Insurance - Key Man	4,278.30
6105 · Laundry, Linens and Uniforms	6,363.36
6168 · Dues and Subscriptions	2,883.86
6170 · Licenses and Fees	896.76
6212 · Reimbursable Legal	59.92
6230 · Promotion- Advertising	190.33
6260 · Rent-Building	630,000.00
6370 · Meals/Ent - Local	1,627.95
66900 · Reconciliation Discrepancies	15.99
6700 · Other Operating Expenses	-15.99
9999 · Uncategorized	703.00
Total Expense	1,373,538.83
Net Ordinary Income	-263,338.45
Other Income/Expense	
Other Income	
4250 · COVID 19 Stimulus	90,979.16
Total Other Income	90,979.16
Other Expense	
6510 · Interest Expense	58,647.11
Total Other Expense	58,647.11
Net Other Income	32,332.05
Net Income	-231,006.40

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12/04/20
Accrual Basis

Greater Erie Surgery Center, LLC
Profit & Loss
January through October 2020

	Jan - Oct 20
Ordinary Income/Expense	
Income	
4000 · Revenue	2,393,200.09
Total Income	2,393,200.09
Cost of Goods Sold	
Cost of Surgical Services	
5010.01 · Disposables	466,217.25
5010.03 · Instruments/Equip Parts	660,333.60
5010.04 · General	71.42
5010.1 · Lease/Rent Medical Equip.	4,021.28
5015 · Medical Gases	4,036.11
5030 · Hazardous Waste Disposal	585.00
Total Cost of Surgical Services	1,135,264.66
Total COGS	1,135,264.66
Gross Profit	1,257,935.43
Expense	
Office Expenses	
6120 · Other Office Expenses	3,654.30
6130 · Postage & Delivery	114.10
Total Office Expenses	3,768.40
Professional Fees	
6190 · Accounting & Auditing	3,409.70
6200 · Consulting Fees	8,000.00
6210 · Legal	12,690.50
6220 · Other Services	10,085.95
Professional Fees - Other	316,852.21
Total Professional Fees	351,038.36
Repairs & Maintenance	
6270 · Building	147.15
6290 · Office Equipment	492.00
6300 · Janitorial Expense	14,162.20
Repairs & Maintenance - Other	1,097.90
Total Repairs & Maintenance	15,899.25
Service Agreements	
6320 · Clinical Equipment	15,506.57
6325 · Computer/IT/Office	50,476.16
Service Agreements - Other	31,374.00
Total Service Agreements	97,356.73
Supplies & Equipment	
6360 · Office Supplies	37.74
Supplies & Equipment - Other	211.40
Total Supplies & Equipment	249.14
Utilities	
6470 · Telephone	12,057.98
Total Utilities	12,057.98

11:01 AM

12/04/20

Accrual Basis

Greater Erie Surgery Center, LLC
Profit & Loss
January through October 2020

	Jan - Oct 20
6050 · Compensation-Salary	321,732.10
6070 · Bank Service Charges	4,092.03
6078 · Contract Labor	7,392.12
6090 · Insurance-General Insurance	7,837.86
6091 · Insurance - Key Man	4,278.30
6105 · Laundry, Linens and Uniforms	6,363.36
6168 · Dues and Subscriptions	3,108.86
6170 · Licenses and Fees	2,359.76
6212 · Reimbursable Legal	59.92
6230 · Promotion- Advertising	190.33
6260 · Rent-Building	700,000.00
6370 · Meals/Ent - Local	1,812.70
66900 · Reconciliation Discrepancies	15.99
6700 · Other Operating Expenses	-15.99
9999 · Uncategorized	745.33
Total Expense	1,540,342.53
Net Ordinary Income	-282,407.10
Other Income/Expense	
Other Income	
4250 · COVID 19 Stimulus	90,979.16
Total Other Income	90,979.16
Other Expense	
6510 · Interest Expense	65,131.15
Total Other Expense	65,131.15
Net Other Income	25,848.01
Net Income	-256,559.09

10:55 AM

12/04/20

Greater Erie Surgery Center, LLC
Statement of Cash Flows
April through June 2020

	<u>Apr - Jun 20</u>
OPERATING ACTIVITIES	
Net Income	-122,518.87
Adjustments to reconcile Net Income to net cash provided by operations:	
1160 · Loan to Dr Thomas	-12,242.84
2000 · Accounts Payable	126,634.86
2507 · Equipment Payable - US Bank	-3,966.00
Net cash provided by Operating Activities	-12,092.85
FINANCING ACTIVITIES	
2501 · Note Payable - Wells Fargo/SBA	-42,000.00
2510 · Note Payable - Candor	-11,902.73
Net cash provided by Financing Activities	-53,902.73
Net cash increase for period	-65,995.58
Cash at beginning of period	275,889.87
Cash at end of period	<u>209,894.29</u>

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12/04/20

Greater Erie Surgery Center, LLC
Statement of Cash Flows
July through September 2020

	<u>Jul - Sep 20</u>
OPERATING ACTIVITIES	
Net Income	-169,005.11
Adjustments to reconcile Net Income to net cash provided by operations:	
2000 · Accounts Payable	93,782.39
2507 · Equipment Payable - US Bank	-1,381.59
Net cash provided by Operating Activities	-76,604.31
FINANCING ACTIVITIES	
2501 · Note Payable - Wells Fargo/SBA	-42,000.00
2510 · Note Payable - Candor	-11,920.88
Net cash provided by Financing Activities	-53,920.88
Net cash increase for period	-130,525.19
Cash at beginning of period	209,894.29
Cash at end of period	<u><u>79,369.10</u></u>

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12/04/20

Greater Erie Surgery Center, LLC
Statement of Cash Flows
January through September 2020

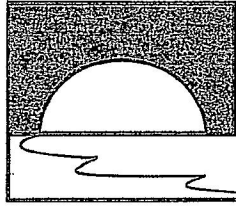
	<u>Jan - Sep 20</u>
OPERATING ACTIVITIES	
Net Income	-231,006.40
Adjustments to reconcile Net Income to net cash provided by operations:	
1160 · Loan to Dr Thomas	-36,459.84
2000 · Accounts Payable	304,131.41
2507 · Equipment Payable - US Bank	-9,313.59
Net cash provided by Operating Activities	<u>27,351.58</u>
FINANCING ACTIVITIES	
2501 · Note Payable - Wells Fargo/SBA	-125,925.98
2510 · Note Payable - Candor	-35,648.72
Net cash provided by Financing Activities	<u>-161,574.70</u>
Net cash increase for period	-134,223.12
Cash at beginning of period	<u>213,592.22</u>
Cash at end of period	<u><u>79,369.10</u></u>

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12/04/20

Greater Erie Surgery Center, LLC
Statement of Cash Flows
January through October 2020

	<u>Jan - Oct 20</u>
OPERATING ACTIVITIES	
Net Income	-256,559.09
Adjustments to reconcile Net Income to net cash provided by operations:	
1160 · Loan to Dr Thomas	-36,459.84
2000 · Accounts Payable	359,120.78
2507 · Equipment Payable - US Bank	-9,774.12
Net cash provided by Operating Activities	<u>56,327.73</u>
FINANCING ACTIVITIES	
2501 · Note Payable - Wells Fargo/SBA	-139,925.98
2510 · Note Payable - Candor	-39,659.79
Net cash provided by Financing Activities	<u>-179,585.77</u>
Net cash increase for period	-123,258.04
Cash at beginning of period	<u>213,592.22</u>
Cash at end of period	<u><u>90,334.18</u></u>



Greater Erie Surgery Center, LLC

2374 Village Common Drive
Suite 200
Erie, Pennsylvania 16506
PHONE: 814.790.5636
FAX: 814-790-5654
WEB: www.eriesurgery.com

Greater Erie Surgery Center summary of daily operations:

The Greater Erie Surgery Center is an ambulatory surgery center, also known as an ambulatory surgical facility, specializing in pain management procedures. The credentialed interventional pain management physicians and a neurosurgeon provide multiple different procedures and therapies for the treatment of pain in adult patients. Procedures the physicians are privileged to perform include, but are not limited to, epidural steroid injections, medial branch nerve blocks, nerve root blocks, facet joint injections, radiofrequency thermal ablations, pain pumps, and spinal cord stimulator implants. Our staff is comprised of Registered Nurses, Radiology Technicians, Surgical Technicians, Patient Care Assistants, Registration/Office Personnel, along with contracted Certified Registered Nurse Anesthetists when necessary. If ordered by the physician, a patient may be given IV conscious sedation or prescribed oral sedation to better tolerate the procedure. If a greater degree of sedation is needed, the physician will work with the CRNA to deliver anesthesia. Policies & Procedures are followed to maintain safe and effective patient care. License maintained through The Pennsylvania Department of Health and accreditation achieved through the AAAHC (Accreditation Association for Ambulatory Health Care).

Stephanie Spore, BSN, RN

Administrator/ Director of Nursing

Joseph Martin Thomas
Case No. 20-10334

**Periodic Report Regarding Value, Operations, Profitability of Entities in Which the
Debtor's Estate Holds a Substantial or Controlling Interest**

TAB NO. 2

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12/02/20

Accrual Basis

2374 Village Common Drive, LLC

Balance Sheet

As of June 30, 2020

	Jun 30, 20
ASSETS	
Current Assets	
Checking/Savings	
10000 · Wells Fargo Bank x8010	41,279.90
Total Checking/Savings	41,279.90
Accounts Receivable	
11000 · Accounts Receivable	1,087,000.00
Total Accounts Receivable	1,087,000.00
Other Current Assets	
12000 · Undeposited Funds	20,000.00
12100 · Security Deposits	15,195.50
12200 · Working Line of Credit Deposit	5,000.00
Total Other Current Assets	40,195.50
Total Current Assets	1,168,475.40
Fixed Assets	
15000 · Building	4,550,545.17
15001 · HVAC	1,193,585.62
15002 · Plumbing	522,193.70
15003 · Flooring	372,995.51
15004 · Electrical	820,590.11
15005 · Land	342,300.74
15006 · Loan Fees	23,878.26
15007 · HVAC Improvements	32,750.00
17000 · Accumulated Depreciation	-349,746.93
17500 · Accumulated Amortization	-889.72
Total Fixed Assets	7,508,202.46
TOTAL ASSETS	8,676,677.86
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	402,190.81
Total Accounts Payable	402,190.81
Total Current Liabilities	402,190.81
Long Term Liabilities	
25000 · Wells Fargo - Note Payable	3,549,197.80
25100 · SBA - Note Payable x2109	2,346,756.38
26000 · Loan Payable USB x5038 Rabe	27,500.08
Total Long Term Liabilities	5,923,454.26
Total Liabilities	6,325,645.07
Equity	
30800 · Members Contribution	11,066.20
32000 · Members Equity	2,073,916.21
Net Income	266,050.38
Total Equity	2,351,032.79
TOTAL LIABILITIES & EQUITY	8,676,677.86

2:48 PM

2374 Village Common Drive, LLC

Balance Sheet

12/02/20

As of September 30, 2020

Accrual Basis

	Sep 30, 20
ASSETS	
Current Assets	
Checking/Savings	
10000 · Wells Fargo Bank x8010	66,638.67
Total Checking/Savings	66,638.67
Accounts Receivable	
11000 · Accounts Receivable	1,163,000.00
Total Accounts Receivable	1,163,000.00
Other Current Assets	
12000 · Undeposited Funds	20,000.00
12100 · Security Deposits	15,195.50
12200 · Working Line of Credit Deposit	5,000.00
Total Other Current Assets	40,195.50
Total Current Assets	1,269,834.17
Fixed Assets	
15000 · Building	4,550,545.17
15001 · HVAC	1,193,585.62
15002 · Plumbing	522,193.70
15003 · Flooring	372,995.51
15004 · Electrical	820,590.11
15005 · Land	342,300.74
15006 · Loan Fees	23,878.26
15007 · HVAC Improvements	32,750.00
17000 · Accumulated Depreciation	-349,746.93
17500 · Accumulated Amortization	-889.72
Total Fixed Assets	7,508,202.46
TOTAL ASSETS	8,778,036.63
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	504,134.67
Total Accounts Payable	504,134.67
Total Current Liabilities	504,134.67
Long Term Liabilities	
25000 · Wells Fargo - Note Payable	3,520,592.79
25100 · SBA - Note Payable x2109	2,319,612.74
26000 · Loan Payable USB x5038 Rabe	25,531.36
Total Long Term Liabilities	5,865,736.89
Total Liabilities	6,369,871.56
Equity	
30800 · Members Contribution	11,066.20
32000 · Members Equity	2,073,916.21
Net Income	323,182.66
Total Equity	2,408,165.07
TOTAL LIABILITIES & EQUITY	8,778,036.63

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12/02/20

Accrual Basis

2374 Village Common Drive, LLC
Balance Sheet
As of October 31, 2020

	Oct 31, 20
ASSETS	
Current Assets	
Checking/Savings	
10000 · Wells Fargo Bank x8010	40,246.96
Total Checking/Savings	40,246.96
Accounts Receivable	
11000 · Accounts Receivable	1,181,000.00
Total Accounts Receivable	1,181,000.00
Other Current Assets	
12000 · Undeposited Funds	52,000.00
12100 · Security Deposits	15,195.50
12200 · Working Line of Credit Deposit	5,000.00
Total Other Current Assets	72,195.50
Total Current Assets	1,293,442.46
Fixed Assets	
15000 · Building	4,550,545.17
15001 · HVAC	1,193,585.62
15002 · Plumbing	522,193.70
15003 · Flooring	372,995.51
15004 · Electrical	820,590.11
15005 · Land	342,300.74
15006 · Loan Fees	23,878.26
15007 · HVAC Improvements	32,750.00
17000 · Accumulated Depreciation	-349,746.93
17500 · Accumulated Amortization	-889.72
Total Fixed Assets	7,508,202.46
TOTAL ASSETS	8,801,644.92
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	506,330.32
Total Accounts Payable	506,330.32
Total Current Liabilities	506,330.32
Long Term Liabilities	
25000 · Wells Fargo - Note Payable	3,510,508.43
25100 · SBA - Note Payable x2109	2,310,564.86
26000 · Loan Payable USB x5038 Rabe	24,875.12
Total Long Term Liabilities	5,845,948.41
Total Liabilities	6,352,278.73
Equity	
30800 · Members Contribution	11,066.20
32000 · Members Equity	2,073,916.21
Net Income	364,383.78
Total Equity	2,449,366.19
TOTAL LIABILITIES & EQUITY	8,801,644.92

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2374 Village Common Drive, LLC

12/02/20

Profit & Loss

Accrual Basis

April through June 2020

	Apr - Jun 20
Ordinary Income/Expense	
Income	
47400 · Rental Income	300,000.00
48000 · Insurance claim payout	4,100.00
Total Income	304,100.00
Gross Profit	304,100.00
Expense	
60450 · Business Insurance	3,826.50
62510 · Elevator Expense	1,171.27
62511 · Fire Protection	511.98
63400 · Interest Expense	90,121.74
63410 · Janitorial Services	2,025.00
63411 · Lawn Maintenance	1,415.44
63500 · Management Fee	1,300.00
66750 · Refuse	660.00
67200 · Repairs and Maintenance	5,975.80
67210 · Sales Tax	0.00
67810 · Snow Removal	0.00
68600 · Utilities	23,980.91
Total Expense	130,988.64
Net Ordinary Income	173,111.36
Other Income/Expense	
Other Income	
70400 · Interest Income	1.93
Total Other Income	1.93
Net Other Income	1.93
Net Income	173,113.29

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2374 Village Common Drive, LLC

12/02/20

Profit & Loss

Accrual Basis

July through September 2020

	Jul - Sep 20
Ordinary Income/Expense	
Income	
47400 · Rental Income	300,000.00
Total Income	300,000.00
Gross Profit	300,000.00
Expense	
60400 · Bank Service Charges	175.00
60450 · Business Insurance	3,826.50
62510 · Elevator Expense	320.00
62511 · Fire Protection	511.98
63400 · Interest Expense	89,629.88
63410 · Janitorial Services	2,025.00
63411 · Lawn Maintenance	2,806.69
63500 · Management Fee	1,950.00
66750 · Refuse	660.00
66900 · Reconciliation Discrepancies	0.00
67200 · Repairs and Maintenance	9,180.97
67210 · Sales Tax	0.00
67810 · Snow Removal	0.00
68000 · Taxes - Property	104,049.80
68600 · Utilities	27,735.50
Total Expense	242,871.32
Net Ordinary Income	57,128.68
Other Income/Expense	
Other Income	
70400 · Interest Income	3.60
Total Other Income	3.60
Net Other Income	3.60
Net Income	57,132.28

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12/02/20

Accrual Basis

2374 Village Common Drive, LLC
Profit & Loss
January through September 2020

	Jan - Sep 20
Ordinary Income/Expense	
Income	
47400 · Rental Income	900,000.00
48000 · Insurance claim payout	4,100.00
Total Income	904,100.00
Gross Profit	904,100.00
Expense	
60400 · Bank Service Charges	240.62
60450 · Business Insurance	11,479.50
62510 · Elevator Expense	5,885.27
62511 · Fire Protection	3,303.47
63400 · Interest Expense	269,701.68
63410 · Janitorial Services	6,075.00
63411 · Lawn Maintenance	6,202.13
63450 · Legal Expense	103.50
63451 · Legal Reimbursable	0.00
63500 · Management Fee	5,200.00
66750 · Refuse	1,980.00
66900 · Reconciliation Discrepancies	0.00
67200 · Repairs and Maintenance	22,564.62
67210 · Sales Tax	0.00
67810 · Snow Removal	3,559.15
68000 · Taxes - Property	170,523.34
68600 · Utilities	74,107.81
Total Expense	580,926.09
Net Ordinary Income	323,173.91
Other Income/Expense	
Other Income	
70400 · Interest Income	8.75
Total Other Income	8.75
Net Other Income	8.75
Net Income	323,182.66

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2374 Village Common Drive, LLC

Profit & Loss

12/02/20

Accrual Basis

January through October 2020

	Jan - Oct 20
Ordinary Income/Expense	
Income	
47400 · Rental Income	1,000,000.00
48000 · Insurance claim payout	6,031.00
Total Income	1,006,031.00
Gross Profit	1,006,031.00
Expense	
60400 · Bank Service Charges	3,190.62
60450 · Business Insurance	11,479.50
62510 · Elevator Expense	5,885.27
62511 · Fire Protection	3,303.47
63400 · Interest Expense	299,028.95
63410 · Janitorial Services	6,750.00
63411 · Lawn Maintenance	6,827.70
63450 · Legal Expense	103.50
63451 · Legal Reimbursable	0.00
63500 · Management Fee	5,850.00
66750 · Refuse	2,200.00
66900 · Reconciliation Discrepancies	0.00
67200 · Repairs and Maintenance	39,525.25
67210 · Sales Tax	0.00
67810 · Snow Removal	3,559.15
68000 · Taxes - Property	170,523.34
68600 · Utilities	83,430.79
Total Expense	641,657.54
Net Ordinary Income	364,373.46
Other Income/Expense	
Other Income	
70400 · Interest Income	10.32
Total Other Income	10.32
Net Other Income	10.32
Net Income	364,383.78

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12/02/20

2374 Village Common Drive, LLC
Statement of Cash Flows
April through June 2020

	<u>Apr - Jun 20</u>
OPERATING ACTIVITIES	
Net Income	173,113.29
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 · Accounts Receivable	-90,000.00
20000 · Accounts Payable	-703.81
	<hr/>
Net cash provided by Operating Activities	82,409.48
FINANCING ACTIVITIES	
25000 · Wells Fargo - Note Payable	-28,113.15
25100 · SBA - Note Payable x2109	-27,143.64
26000 · Loan Payable USB x5038 Rabe	-1,968.72
	<hr/>
Net cash provided by Financing Activities	-57,225.51
Net cash increase for period	25,183.97
Cash at beginning of period	36,095.93
	<hr/>
Cash at end of period	<u>61,279.90</u>

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12/02/20

2374 Village Common Drive, LLC
Statement of Cash Flows
July through September 2020

	<u>Jul - Sep 20</u>
OPERATING ACTIVITIES	
Net Income	57,132.28
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 · Accounts Receivable	-76,000.00
20000 · Accounts Payable	101,943.86
	<hr/>
Net cash provided by Operating Activities	83,076.14
FINANCING ACTIVITIES	
25000 · Wells Fargo - Note Payable	-28,605.01
25100 · SBA - Note Payable x2109	-27,143.64
26000 · Loan Payable USB x5038 Rabe	-1,968.72
	<hr/>
Net cash provided by Financing Activities	-57,717.37
	<hr/>
Net cash increase for period	25,358.77
Cash at beginning of period	61,279.90
	<hr/>
Cash at end of period	<u>86,638.67</u>

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12/02/20

2374 Village Common Drive, LLC
Statement of Cash Flows
January through September 2020

	<u>Jan - Sep 20</u>
OPERATING ACTIVITIES	
Net Income	323,182.66
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 · Accounts Receivable	-256,000.00
20000 · Accounts Payable	167,852.96
Net cash provided by Operating Activities	235,035.62
FINANCING ACTIVITIES	
25000 · Wells Fargo - Note Payable	-85,002.99
25100 · SBA - Note Payable x2109	-81,430.92
26000 · Loan Payable USB x5038 Rabe	-5,906.16
Net cash provided by Financing Activities	-172,340.07
Net cash increase for period	62,695.55
Cash at beginning of period	23,943.12
Cash at end of period	<u>86,638.67</u>

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12/02/20

2374 Village Common Drive, LLC
Statement of Cash Flows
January through October 2020

	Jan - Oct 20
OPERATING ACTIVITIES	
Net Income	364,383.78
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 · Accounts Receivable	-274,000.00
20000 · Accounts Payable	170,048.61
Net cash provided by Operating Activities	260,432.39
FINANCING ACTIVITIES	
25000 · Wells Fargo - Note Payable	-95,087.35
25100 · SBA - Note Payable x2109	-90,478.80
26000 · Loan Payable USB x5038 Rabe	-6,562.40
Net cash provided by Financing Activities	-192,128.55
Net cash increase for period	68,303.84
Cash at beginning of period	23,943.12
Cash at end of period	92,246.96